

BEDFORD TOWNSHIP

Monroe County, Michigan

FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

Comprehensive Annual Financial Report
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BEDFORD TOWNSHIP

ELECTED OFFICIALS

Walter C. Wilburn
Robert A. Schockman
Sherri S. Meyer

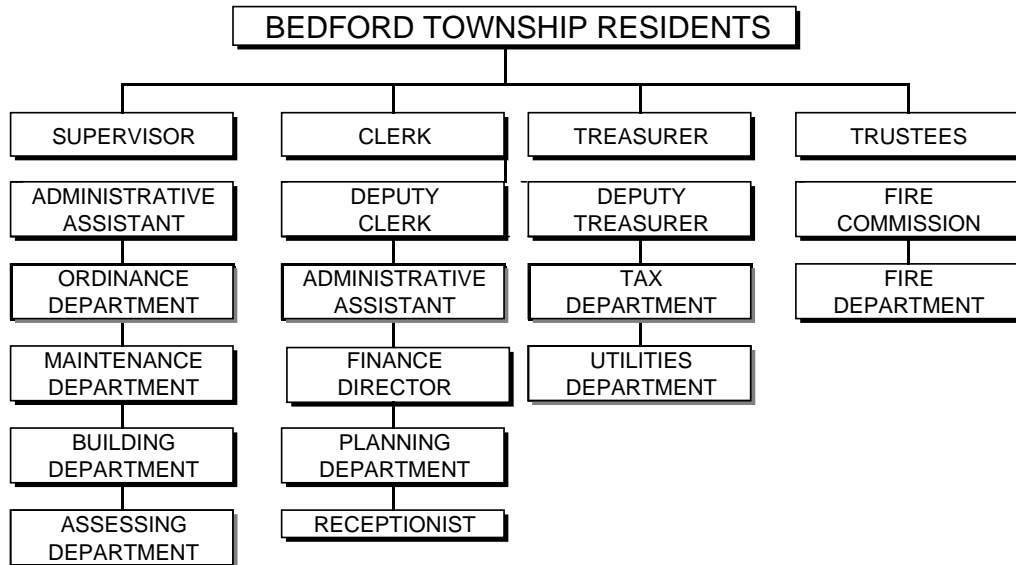
Supervisor
Clerk
Treasurer

Richard A. Steiner, Jr.
Lawrence R. O'Dell
Dennis D. Steinman
Paul R. Francis

Trustee
Trustee
Trustee
Trustee

BEDFORD TOWNSHIP

ORGANIZATION CHART





INDEPENDENT AUDITOR'S REPORT

Township Board
Bedford Township
Temperance, MI 48182

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the Township of Bedford, Michigan as of and for the year ended June 30, 2008, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Bedford Township, Michigan as of June 30, 2008, and the respective changes in financial position, and cash flows where applicable, thereof for the year then ended in conformity with generally accepted accounting principles in the United States of America.

The management's discussion and analysis and budgetary comparison information on pages 4 through 8 and 33 through 35 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consist principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion in it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Bedford's basic financial statements. The supplementary combining nonmajor fund financial statements and budgetary comparisons are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary combining nonmajor fund financial statements and budgetary comparisons have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

McGuire & McDole

McGuire & McDole
Certified Public Accountants

December 5, 2008

As management of Bedford Township, we offer readers of Bedford Township's financial statements this narrative overview and analysis of the financial activities of Bedford Township for the fiscal year ended June 30, 2008. We encourage readers to consider the information presented here.

Financial Highlights

The assets of Bedford Township exceeded its liabilities at the close of the most recent fiscal year by \$42,462,351 (*net assets*). Of this amount, \$12,693,473 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.

The government's total net assets increased by \$598,707 for the year ended June 30, 2008.

As of the close of the current fiscal year, Bedford Township's governmental funds reported combined ending fund balances of \$7,392,210, a decrease of \$2,448,323 in comparison with the prior year. Approximately 73 percent of this total amount, \$5,430,801, is available for spending at the government's discretion (unreserved fund balance).

At the end of the current fiscal year, unreserved fund balance for the general fund was \$1,272,414, or 25 percent of total general fund expenditures.

Bedford Township's total debt decreased by \$1,055,350 (9 percent) during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Bedford Township's basic financial statements. Bedford Township's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements The government-wide financial statements are designed to provide readers with a broad overview of Bedford Township's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of Bedford Township's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Bedford Township is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Bedford Township that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Bedford Township include general government, public safety, highways and streets, economic development, and community enrichment and recreation. The business type activities of Bedford Township include water and sewer activities.

The government-wide financial statements include not only Bedford Township itself (known as the primary government), but also a legally separate Downtown Development Authority, Economic Development Authority and a Brownfield Redevelopment Authority for which Bedford Township is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 11-12 of this report.

Fund financial statements A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Bedford Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Bedford Township can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Bedford Township maintains eighteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general, fire, water and Greenhills debt funds, which are considered to be major funds. Data from the fourteen other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Bedford Township adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 13-14 of this report.

Proprietary funds. Bedford Township maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Bedford Township uses enterprise funds to account for its Sewer operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Sewer operations, which is considered to be a major fund of Bedford Township.

The basic proprietary fund financial statements can be found on pages 15-17 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support Bedford Township's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 18-19 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 20-32 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, which is found on pages 33-35 of this report.

The combining statements and schedules referred to earlier in connection with nonmajor governmental funds can be found on pages 36-44 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Bedford Township, assets exceeded liabilities by \$42,462,351 at the close of the most recent fiscal year.

By far the largest portion of the Bedford Township's net assets (52 percent) reflects its investment in capital assets (e.g., land, building, machinery and equipment) less any related debt used to acquire those assets that is still outstanding. Bedford Township uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Bedford Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

June 30, 2008

Bedford Township's Net Assets

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>
Current and other assets	\$ 11,138,338	\$ 13,014,907	\$ 10,080,284	\$ 9,856,545	\$ 21,218,622	\$ 22,871,452
Capital assets	14,270,722	12,891,524	19,160,619	19,779,590	33,431,341	32,671,114
Total assets	25,409,060	25,906,431	29,240,903	29,636,135	54,649,963	55,542,566
Long-term liabilities						
outstanding	7,939,550	8,604,900	3,135,000	3,135,000	11,074,550	11,739,900
Other liabilities	965,216	971,617	147,846	967,408	1,113,062	1,939,025
Total liabilities	8,904,766	9,576,517	3,282,846	4,102,408	12,187,612	13,678,925
Net assets:						
Invested in capital assets,						
net of related debt	6,331,172	7,531,484	16,025,619	16,254,590	22,356,791	23,786,074
Restricted	1,961,409	1,978,994	5,450,678	4,908,442	7,412,087	6,887,436
Unrestricted	8,211,713	6,819,436	4,481,760	4,370,695	12,693,473	11,190,131
Total net assets	\$ 16,504,294	\$ 16,329,914	\$ 25,958,057	\$ 25,533,727	\$ 42,462,351	\$ 41,863,641

An additional portion of Bedford Township's net assets (17 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$12,693,473) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Bedford Township is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

There was a increase of \$524,651 in restricted net assets reported in connection with the Bedford Township's business-type activities.

The government's net assets increased by \$598,707 during the current fiscal year.

Governmental activities. Governmental activities increased Bedford Township's net assets by \$174,377.

Key elements of this decrease are as follows:

Bedford Township's Changes in Net Assets

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>
Revenues:						
Program revenues:						
Charges for services	\$ 272,403	\$ 338,765	\$ 2,831,488	\$ 2,653,528	\$ 3,103,891	\$ 2,992,293
Operating grants and contributions	119,097	-	-	-	119,097	-
Capital grants and contributions	524,119	-	-	-	524,119	-
General revenues:						
Property taxes	3,309,445	3,530,849	-	-	3,309,445	3,530,849
State shared revenues	1,987,602	1,966,400	-	-	1,987,602	1,966,400
Franchise fees and permits	242,599	212,679	-	-	242,599	212,679
Interest and other	953,549	922,577	319,328	340,322	1,272,877	1,262,899
Total revenues	7,408,814	6,971,270	3,150,816	2,993,850	10,559,630	9,965,120
Expenses:						
General government	2,694,290	2,465,977	-	-	2,694,290	2,465,977
Public safety	2,656,490	2,058,345	-	-	2,656,490	2,058,345
Public works	913,643	2,352,092	-	-	913,643	2,352,092
Culture and recreation	655,990	505,988	-	-	655,990	505,988
Interest on long-term debt	314,024	334,003	-	-	314,024	334,003
Sewer	-	-	2,726,486	2,796,532	2,726,486	2,796,532
Total expenses	7,234,437	7,716,405	2,726,486	2,796,532	9,960,923	10,512,937
Increase in net assets	174,377	(745,135)	424,330	197,318	598,707	(547,817)
Net assets - beginning	16,329,917	17,075,052	25,533,727	25,336,409	41,863,644	42,411,461
Net assets - ending	\$ 16,504,294	\$ 16,329,917	\$ 25,958,057	\$ 25,533,727	\$ 42,462,351	\$ 41,863,644

Property taxes decreased by \$221,404 (6 percent) during the year.

State shared revenues increased 1 percent from the prior year.

Expenses were decreased overall from the prior year, all categories increased with the exception of Interest and Public Works.

Business-type activities. Business-type activities increased the Bedford Township's net assets by \$424,330. Key elements of this increase are as follows.

* Charges for services for business-type activities increased by 6.7 percent. The Sewer system accounts for all of this increase, which resulted from the approval of a rate increase designed primarily to provide additional resources to meet debt requirements. Revenues also increased as result of a modest increase in demand in the Sewer system.

*Expenses decreased overall by \$70,046, and revenues continue to exceed expenses.

Financial Analysis of the Government's Funds

As noted earlier Bedford Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of Bedford Township's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Bedford Township's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, Bedford Township's governmental funds reported combined ending fund balances of \$7,391,210, a decrease of \$2,448,323 in comparison with the prior year. Approximately 73 percent of this total amount constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to road construction and capital improvements and 2) to pay debt service.

The general fund is the chief operating fund of the Bedford Township. At the end of the current fiscal year, unreserved fund balance of the general fund was \$1,272,414, while total fund balance reached \$1,387,459. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 25 percent of total general fund expenditures, while total fund balance represents 27 percent of that same amount.

The fund balance of Bedford Township's general fund decreased by \$1,732,065 during the current fiscal year. Key factors are as follows:

*An increase in property taxes of \$40,681.

*All other revenues of the general fund increased by \$23,335.

*Expenditures increased by \$1,399,327 attributable to completion of the new Government Center.

The fire fund has a total fund balance of \$1,045,790, all of which \$465,000 is reserved for capital improvements.

The water fund has a total fund balance of \$2,083,721. The net increase for the year was \$10,736.

Proprietary fund. Bedford Township's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Sewer system at the end of the year amounted to \$4,481,760. The total increase in net assets was \$424,330. Other factors concerning the finances of this fund has already been addressed in the discussion of the Bedford Township's business-type activities.

June 30, 2008

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were approximately 10% and changes can briefly summarized as follows:

- * \$449,250 in miscellaneous increases in general government activities
- * \$169,500 in increases allocated to public safety
- * \$110,050 in decreases allocated to public works

Capital Asset and Debt Administration

Capital assets. Bedford Township's investment in capital assets for its governmental and business type activities as of June 30, 2008, amounts to \$22,356,700 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment and park facilities,.

Major capital asset events during the current fiscal year included the following:

- * Completion of the new Government Center.

**Bedford Township's Capital Assets
(net of depreciation)**

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	\$ 636,785	\$ 636,785	\$ 40,000	\$ 40,000	\$ 676,785	\$ 676,785
Buildings and system	7,909,368	5,199,938	17,090,827	17,771,673	25,000,195	22,971,611
Improvements other than buildings	335,659	97,658	-	-	335,659	97,658
Machinery and equipment	2,448,627	2,203,152	74,741	70,968	2,523,368	2,274,120
Infrastructure	2,940,283	2,643,329	-	-	2,940,283	2,643,329
Construction in progress	-	2,110,622	1,955,051	1,896,949	1,955,051	4,007,571
Total	\$ 14,270,722	\$ 12,891,484	\$ 19,160,619	\$ 19,779,590	\$ 33,431,341	\$ 32,671,074

Additional information on Bedford Township's capital assets can be found in note 6 on pages 28-29 of this report.

Long-term debt. At the end of the current fiscal year, the Bedford Township had total bonded debt outstanding of \$11,074,550. Of this amount, \$4,929,550 comprises county contracts and \$6,145,000 is limited tax general obligation debt.

**Bedford Township's Outstanding Debt
County Contracts and Limited Tax General Obligation**

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
County Contractual Obligations	\$ 1,794,550	\$ 2,329,900	\$ 3,135,000	\$ 3,525,000	\$ 4,929,550	\$ 5,854,900
Limited Tax General Obligation						
Bonds	6,145,000	6,275,000	-	-	6,145,000	6,275,000
Total	\$ 7,939,550	\$ 8,604,900	\$ 3,135,000	\$ 3,525,000	\$ 11,074,550	\$ 12,129,900

Bedford Township's total debt idereased by \$1,055,350 during the current fiscal year.

Additional information on the Bedford Township's long-term debt can be found in note 9 on page 30 of this report.

Economic Factors and Next Year's Budgets and Rates

Tax revenues and taxable values are anticipated to remain relatively the same for the 2008-09 year. State shared revenues are forcased to decrease approximately 3%. The budget for 2008-09 anticipates using \$431,000 of fund balance to supplement revenues.

Requests for Information

This financial report is designed to provide a general overview of the Bedford Township's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 8100 Jackman Road, PO Box H, Temperance, MI 48182.

BEDFORD TOWNSHIP
GOVERNMENT WIDE STATEMENT OF NET ASSETS
JUNE 30, 2008

	Primary Government			
	Governmental Activities	Business - Type Activities	Total	Component Units
Assets				
Cash and Cash Equivalents	\$ 7,677,591	\$ 3,187,979	\$ 10,865,570	\$ 908,073
Receivables (Net of Allowance for Uncollectibles):				
Accounts	68,381	1,082,385	1,150,766	-
Assessments	2,780,612	-	2,780,612	170,522
Tap-Ins	983	-	983	-
Loans	132,352	-	132,352	-
Prepaid Expenses	85,639	1,631	87,270	-
Due From State of Michigan	327,316	-	327,316	-
Internal Balances	59,052	(59,052)	(0)	-
Restricted Cash With Fiscal Agent	6,412	5,867,341	5,873,753	-
Capital Assets:				
Land	636,785	40,000	676,785	-
Buildings and System	9,717,790	34,042,275	43,760,065	-
Improvements Other than Buildings	358,453	-	358,453	5,200
Machinery and Equipment	6,685,627	520,449	7,206,076	-
Infrastructure	3,331,230	-	3,331,230	32,672
Construction in Progress	-	1,955,051	1,955,051	-
Less Accumulated Depreciation	(6,459,163)	(17,397,156)	(23,856,319)	(15,002)
Total Assets	25,409,060	29,240,903	54,649,963	1,101,465
Liabilities				
Accounts Payable	775,353	127,533	902,886	148,699
Inspection Fees Payable	-	-	-	-
Accrued Wages	48,570	1,359	49,929	-
Accrued Compensated Absences	83,898	623	84,521	-
Accrued Payroll Taxes	6,201	281	6,482	-
Accrued Interest Payable	51,194	16,175	67,369	7,400
Due to County	-	1,875	1,875	-
Noncurrent Liabilities:				
Due Within One Year	1,255,350	405,000	1,660,350	122,500
Due in More Than One Year	6,684,200	2,730,000	9,414,200	407,639
Total Liabilities	8,904,766	3,282,846	12,187,612	686,238
Net Assets				
Invested in Capital Assets Net of Related Debt	6,331,172	16,025,619	22,356,791	29,404
Restricted for:				
Road Construction	50,000	-	50,000	-
Building Improvements	465,000	-	465,000	-
System Replacement	-	3,836,500	3,836,500	-
Debt Service	1,360,770	1,614,178	2,974,948	-
Other	85,639	-	85,639	-
Unrestricted	8,211,713	4,481,760	12,693,473	385,823
Total Net Assets	\$ 16,504,294	\$ 25,958,057	\$ 42,462,351	\$ 415,227

See Accompanying Notes to the Financial Statements.

BEDFORD TOWNSHIP

GOVERNMENT WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Total	
Primary Government								
Governmental Activities:								
General Government	\$ 2,694,290	\$ 19,060	\$ -	\$ -	\$ (2,675,230)	\$ -	\$ (2,675,230)	\$ -
Public Safety	2,656,490	253,343	119,097	-	(2,284,050)	-	(2,284,050)	-
Public Works	913,643		-	524,119	(389,524)	-	(389,524)	-
Culture and Recreation	655,990		-	-	(655,990)	-	(655,990)	-
Interest on Long-Term Debt	314,024		-	-	(314,024)	-	(314,024)	-
Total Governmental Activities	<u>7,234,437</u>	<u>272,403</u>	<u>119,097</u>	<u>524,119</u>	<u>(6,318,818)</u>	<u>-</u>	<u>(6,318,818)</u>	<u>-</u>
Business-Type Activities:								
Sewer	<u>2,726,486</u>	<u>2,831,488</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>105,002</u>	<u>105,002</u>	<u>-</u>
Total Business-type Activities	<u>2,726,486</u>	<u>2,831,488</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>105,002</u>	<u>105,002</u>	<u>-</u>
Component Units	<u>231,828</u>	<u>6,612</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(225,216)</u>
Total Primary Government	<u>\$ 10,192,751</u>	<u>\$ 3,110,503</u>	<u>\$ 119,097</u>	<u>\$ 524,119</u>	<u>(6,318,818)</u>	<u>105,002</u>	<u>(6,213,816)</u>	<u>(225,216)</u>
General Revenues:								
Property Taxes					3,309,445	-	3,309,445	233,834
State Shared Revenues					1,987,602	-	1,987,602	-
Franchise Fees					242,599	-	242,599	-
Unrestricted Investment Earnings					394,749	319,328	714,077	35,434
Miscellaneous					558,800	-	558,800	22,831
Total General Revenues and Transfers					<u>6,493,195</u>	<u>319,328</u>	<u>6,812,523</u>	<u>292,099</u>
Change in Net Assets					174,377	424,330	598,707	66,883
Net Assets - Beginning					<u>16,329,917</u>	<u>25,533,727</u>	<u>41,863,644</u>	<u>348,344</u>
Net Assets - Ending					<u>\$ 16,504,294</u>	<u>\$ 25,958,057</u>	<u>\$ 42,462,351</u>	<u>415,227</u>

See Accompanying Notes to the Financial Statements.

BEDFORD TOWNSHIP
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2008

	<i>General</i>	<i>Fire</i>	<i>Water</i>	<i>Greenhill Debt</i>	<i>Other Governmental Funds</i>	<i>Total Governmental Funds</i>
Assets						
Cash and Cash Equivalents	\$ 1,205,313	\$ 1,246,953	\$ 2,097,778	\$ 370,536	\$ 2,757,011	\$ 7,677,591
Accounts Receivable	58,623	-	1,667	-	8,091	68,381
Prepaid Costs	65,045	20,594	-	-	-	85,639
Loans Receivable	-	-	-	-	132,352	132,352
Grants Receivable	-	-	-	-	-	-
Tap-Ins Receivable	-	-	983	-	-	983
Assessments Receivable	37,860	-	734,222	1,311,274	697,256	2,780,612
Due From Other Funds	165,063	-	6,551	500	2,122	174,236
Due From State of Michigan	327,316	-	-	-	-	327,316
Restricted Cash	-	-	-	-	6,412	6,412
Total Assets	<u>\$ 1,859,220</u>	<u>\$ 1,267,547</u>	<u>\$ 2,841,201</u>	<u>\$ 1,682,310</u>	<u>\$ 3,603,244</u>	<u>\$ 11,253,522</u>
Liabilities						
Accounts Payable	\$ 387,241	\$ 212,774	\$ 11,218	-	\$ 164,160	\$ 775,393
Accrued Wages	38,945	2,038	-	-	7,587	48,570
Accrued Payroll Taxes	4,715	404	-	-	1,082	6,201
Compensated Absences Payable	3,000	-	-	-	-	3,000
Due to Other Funds	-	6,541	12,040	-	96,603	115,184
Deferred Revenue	37,860	-	734,222	1,311,274	829,608	2,912,964
Total Liabilities	<u>471,761</u>	<u>221,757</u>	<u>757,480</u>	<u>1,311,274</u>	<u>1,099,040</u>	<u>3,861,312</u>
Fund Balances						
Fund Balances:						
Reserved for:						
Road Construction	50,000	-	-	-	-	50,000
Capital Improvements	-	465,000	-	-	-	465,000
Debt	-	-	552,708	371,036	437,026	1,360,770
Prepaid Expense	65,045	20,594	-	-	-	85,639
Unreserved, Reported in:						
General Fund	1,272,414	-	-	-	-	1,272,414
Capital Projects	-	-	-	-	-	-
Special Revenue Funds	-	560,196	1,531,013	-	2,067,178	4,158,387
Total Fund Balances	<u>1,387,459</u>	<u>1,045,790</u>	<u>2,083,721</u>	<u>371,036</u>	<u>2,504,204</u>	<u>7,392,210</u>
Total Liabilities and Fund Balances	<u>\$ 1,859,220</u>	<u>\$ 1,267,547</u>	<u>\$ 2,841,201</u>	<u>\$ 1,682,310</u>	<u>\$ 3,603,244</u>	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 14,270,762

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. 2,912,964

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. (8,071,642)

Net Assets of Governmental Activities **\$ 16,504,294**

See Accompanying Notes to the Financial Statements.

BEDFORD TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	<i>General</i>	<i>Fire</i>	<i>Water</i>	<i>Greenhill Debt</i>	<i>Other Governmental Funds</i>	<i>Total Governmental Funds</i>
Revenues:						
Taxes	\$ 888,061	\$ 938,320	\$ -	\$ -	\$ 1,483,064	\$ 3,309,445
Licenses and Permits	258,408	-	-	-	237,534	495,942
Intergovernmental:						
State Grants	1,987,602	-	-	-	-	1,987,602
Charges for Services	19,060	-	-	-	-	19,060
Assessments	-	119,097	208,793	159,199	156,127	643,216
Fines and Forfeits	26,775	-	-	-	-	26,775
Interest	73,295	41,015	106,089	79,922	94,428	394,749
Other Revenues	381,090	45,823	53,021	-	35,530	515,464
Total Revenues	<u>3,634,291</u>	<u>1,144,255</u>	<u>367,903</u>	<u>239,121</u>	<u>2,006,683</u>	<u>7,392,253</u>
Expenditures:						
Current:						
General Government	2,324,624	-	-	-	175,689	2,500,313
Public Safety	837,725	871,679	-	-	570,618	2,280,022
Public Works	473,110	-	143,972	-	188,307	805,389
Recreational and Cultural	-	-	-	-	309,975	309,975
Other	-	-	-	-	-	-
Capital Outlay	1,158,517	616,803	-	-	656,361	2,431,681
Debt Service:						
Principal	165,000	-	185,000	130,000	720,350	1,200,350
Interest and Fiscal Charges	99,212	-	28,555	74,221	110,858	312,846
Total Expenditures	<u>5,058,188</u>	<u>1,488,482</u>	<u>357,527</u>	<u>204,221</u>	<u>2,732,158</u>	<u>9,840,576</u>
Excess of Revenue Over (Under)						
Expenditures	<u>(1,423,897)</u>	<u>(344,227)</u>	<u>10,376</u>	<u>34,900</u>	<u>(725,475)</u>	<u>(2,448,323)</u>
Other Financing Sources (Uses):						
Bond Proceeds	-	-	-	-	535,000	535,000
Transfers In	-	-	-	-	313,992	313,992
Transfers Out	<u>(308,168)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,824)</u>	<u>(313,992)</u>
Total Other Financing Sources (Uses)	<u>(308,168)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>843,168</u>	<u>-</u>
Net Change in Fund Balances	(1,732,065)	(344,227)	10,376	34,900	117,693	(2,448,323)
Fund Balance - Beginning	<u>3,119,524</u>	<u>1,390,017</u>	<u>2,073,345</u>	<u>336,136</u>	<u>2,386,511</u>	
Fund Balance - Ending	<u>\$ 1,387,459</u>	<u>\$ 1,045,790</u>	<u>\$ 2,083,721</u>	<u>\$ 371,036</u>	<u>\$ 2,504,204</u>	

Amounts reported for governmental activities in the statement of activities are different because:

-Governmental funds report capital outlays as expenditures; in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	1,401,693
-Special assessment and similar revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	574,016
-Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)	1,200,350
-The net effect of transactions involving capital assets (i.e. sales, trade-ins and donations) is to decrease net assets	(22,455)
-Bond proceeds are not reported as financing sources in the statement of activities	(535,000)
-Increases in accumulated employee vacation pay and similar expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	4,096

Change in Net Assets of Governmental Activities \$ 174,377

See Accompanying Notes to the Financial Statements.

BEDFORD TOWNSHIP
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2008

	<i>Business-type Activities - Enterprise Funds</i>	
	<i>Sewer Fund Current Year</i>	<i>Sewer Fund Prior Year</i>
Assets		
Current Assets:		
Cash and Cash Equivalents	\$ 3,187,979	\$ 3,158,679
Accounts Receivable	1,082,385	1,037,772
Due From Other Funds	7,500	-
Prepaid Expense	1,631	364,234
Total Current Assets	4,279,495	4,560,685
Noncurrent Assets		
Cash With Fiscal Agent	5,867,341	5,312,421
Capital Assets		
Land	40,000	40,000
Construction in Progress	1,955,051	1,869,949
Buildings and System	34,042,275	34,042,275
Machinery and Equipment	520,449	506,459
Less Accumulated Depreciation	(17,397,156)	(16,706,093)
Total Assets	29,307,455	29,625,696
Liabilities		
Current Liabilities:		
Accounts Payable	127,533	556,719
Accrued Wages	1,359	1,359
Compensated Absences	623	623
Accrued Payroll Taxes	281	281
Accrued Interest Payable	16,175	16,175
Due to Other Funds	66,552	16,561
Due to County	1,875	2,251
Current Portion of Noncurrent Liabilities	405,000	390,000
Total Current Liabilities	619,398	983,969
Noncurrent Liabilities		
Bonds Payable	2,730,000	3,135,000
Total Liabilities	3,349,398	4,118,969
Net Assets:		
Invested in Capital Assets, Net of Related Debt	16,025,619	16,254,590
Restricted For Replacement	3,836,500	3,452,000
Restricted For Debt Retirement	1,614,178	1,456,442
Unrestricted	4,481,760	4,370,695
Total Net Assets	\$ 25,958,057	\$ 25,533,727

See Accompanying Notes to the Financial Statements.

STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET ASSETS

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2008

	<i>Business-type Activities - Enterprise Funds</i>	
	<i>Sewer Fund Current Year</i>	<i>Sewer Fund Prior Year</i>
Operating Revenue:		
Use Charges	\$ 2,747,521	\$ 2,572,654
Tap-In Fees	62,125	52,150
Penalties	21,842	28,724
Total Operating Revenue	<u>2,831,488</u>	<u>2,653,528</u>
Operating Expenses:		
Contracted Operations and Maintenance	1,731,069	1,806,729
Depreciation	691,063	696,824
Office Salaries	60,092	63,861
Office Supplies	9,286	7,061
Professional Fees	11,156	8,165
Employees' Fringe Benefits	38,380	42,827
Administrative Expense	22,756	21,446
Maintenance	20,936	37,717
Other	50,488	13,319
Total Operating Expenses	<u>2,635,226</u>	<u>2,697,949</u>
Operating Income	<u>196,262</u>	<u>(44,421)</u>
Non-Operating Revenue:		
Interest Revenue	319,328	340,322
Non-Operating Expenses:		
Interest Expense	<u>(91,260)</u>	<u>(98,583)</u>
Net Income	424,330	197,318
Total Net Assets - Beginning	<u>25,533,727</u>	<u>25,336,409</u>
Total Net Assets - Ending	<u>\$ 25,958,057</u>	<u>\$ 25,533,727</u>

See Accompanying Notes to the Financial Statements.

BEDFORD TOWNSHIP
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	<i>Business-type Activities - Enterprise Funds</i>	
	<i>Sewer Fund Current Year</i>	<i>Sewer Fund Prior Year</i>
<i>Cash Flows from Operating Activities:</i>		
Receipts from customers and users	\$ 2,786,875	\$ 2,613,271
Payments to suppliers	(1,855,159)	(1,954,640)
Payments to employees	(98,472)	(74,438)
Net Cash Provided by Operating Activities	833,244	584,193
<i>Cash Flows from Capital and Related Financing Activities:</i>		
Purchase of Capital Assets	(87,092)	(225,768)
Principal Paid on Bonds	(390,000)	(390,000)
Interest Paid on Bonds	(91,260)	(98,583)
Net Cash Used For Capital and Related Financing Activities	(568,352)	(714,351)
<i>Cash Flows from Investing Activities:</i>		
Interest on Investments	319,328	340,322
Net Cash Provided by Investing Activities	319,328	340,322
Net Increase In Cash and Cash Equivalents	584,220	210,164
Cash and Cash Equivalents - Beginning	8,471,100	8,260,936
Cash and Cash Equivalents - Ending	\$ 9,055,320	\$ 8,471,100
<i>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</i>		
Operating Income	\$ 196,262	\$ (44,421)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation	691,063	696,824
Changes in Current Assets and Liabilities:		
Accounts Receivable	(44,613)	(40,257)
Due from Other Funds	7,500	-
Accounts Payable	(432,109)	346,583
Accrued Wages	-	(124)
Compensated Absences	-	(6,587)
Accrued Payroll Taxes	-	(25)
Due to Other Funds	52,914	(3,770)
Due to Monroe County	(376)	(71)
Prepaid Expense	362,603	(363,959)
Total Adjustments and Changes	636,982	628,614
Net Cash Provided By Operating Activities	\$ 833,244	\$ 584,193

See Accompanying Notes to the Financial Statements.

BEDFORD TOWNSHIP
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2008

	<i>Pension Fund</i>	<i>Cemetery Fund</i>
	<u> </u>	<u> </u>
Assets		
Cash and Cash Equivalents	\$ -	\$ 6,321
Investments at Fair Value:		
Mutual Funds	<u>1,574,816</u>	<u>-</u>
Total Assets	1,574,816	6,321
Liabilities		
Due to Others	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>
Net Assets		
Held in Trust for Pension Benefits and Other Purposes	<u><u>\$ 1,574,816</u></u>	<u><u>\$ 6,321</u></u>

See Accompanying Notes to the Financial Statements.

BEDFORD TOWNSHIP**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS****FIDUCIARY FUNDS****FOR THE YEAR ENDED JUNE 30, 2008**

	<i>Pension Fund</i>	<i>Cemetery Fund</i>
Additions:		
Contributions:		
Employer	\$ 156,127	\$ -
Plan Members	9,436	-
Total Contributions	<u>165,563</u>	<u>-</u>
Investment Earnings	<u>(60,452)</u>	<u>474</u>
Total Additions	<u>105,111</u>	<u>474</u>
Deductions:		
Administrative Expenses	12,059	-
Benefits	17,716	-
Total Deductions	<u>29,775</u>	<u>-</u>
Net Change	75,336	474
Net Assets - Beginning	<u>1,499,480</u>	<u>5,847</u>
Net Assets - Ending	<u><u>\$ 1,574,816</u></u>	<u><u>\$ 6,321</u></u>

See Accompanying Notes to the Financial Statements.

STATEMENT OF NET ASSETS - COMPONENT UNITS

JUNE 30, 2008

	<i>Economic Development Corporation</i>	<i>Downtown Development Authority</i>	<i>Brownfield Redevelopment Authority</i>	<i>Total Component Units</i>
Assets				
Cash and Cash Equivalents	\$ 20,584	\$ 887,158	\$ 331	\$ 908,073
Investments				-
Receivables (Net of Allowance for Uncollectibles):				
Assessments	-	170,522	-	170,522
Accounts	-		-	-
Prepaid Expenses	-		-	-
Capital Assets:				-
Improvements Other than Buildings	5,200	-	-	5,200
Infrastructure	-	32,672	-	32,672
Less Accumulated Depreciation	(5,200)	(9,802)	-	(15,002)
Total Assets	20,584	1,080,550	331	1,101,465
Liabilities				
Accounts Payable	448	147,457	794	148,699
Accrued Interest Payable	-	7,400	-	7,400
Noncurrent Liabilities:				
Due Within One Year	-	122,500	-	122,500
Due in More Than One Year	-	407,639	-	407,639
Total Liabilities	448	684,996	794	686,238
Net Assets				
Invested in Capital Assets Net of Related Debt	-	29,404	-	29,404
Unrestricted	20,136	366,150	(463)	385,823
Total Net Assets	\$ 20,136	\$ 395,554	\$ (463)	\$ 415,227

See Accompanying Notes to the Financial Statements.

BEDFORD TOWNSHIP

**STATEMENT OF ACTIVITIES - COMPONENT UNITS
FOR THE YEAR ENDED JUNE 30, 2008**

Functions/Programs	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets</u>			<u>Total</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Economic Development Authority</u>	<u>Downtown Development Authority</u>	<u>Brownfield Redevelopment Authority</u>	
<i>Economic Development Authority</i>								
General Government	\$ 16,348	\$ -	\$ -	\$ -	\$ (16,348)	\$ -	\$ -	\$ (16,348)
<i>Downtown Development Authority</i>				-	-			
General Government	35,200	-	-	-	-	(35,200)	-	(35,200)
Public Works	141,570	-	-	-	-	(141,570)	-	(141,570)
Interest on Long-Term Debt	31,410	-	-	-	-	(31,410)	-	(31,410)
	<u>208,180</u>	<u>-</u>	<u>-</u>	<u>-</u>				
<i>Brownfield Redevelopment Authority</i>								
General Government	<u>7,300</u>	<u>6,612</u>	<u>-</u>	<u>-</u>			<u>(688)</u>	<u>(688)</u>
Total Component Units	<u>\$ 231,828</u>	<u>\$ 6,612</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(16,348)</u>	<u>(208,180)</u>	<u>(688)</u>	<u>(225,216)</u>
General Revenues:								
Property Taxes					-	233,834	-	233,834
Miscellaneous					22,831	-	-	22,831
Unrestricted Investment Earnings					155	35,250	29	35,434
Transfers					-	-	-	-
Total General Revenues and Transfers					<u>22,986</u>	<u>269,084</u>	<u>29</u>	<u>292,099</u>
Change in Net Assets					6,638	60,904	(659)	66,883
Net Assets - Beginning					<u>13,498</u>	<u>334,650</u>	<u>196</u>	<u>348,344</u>
Net Assets - Ending					<u>\$ 20,136</u>	<u>\$ 395,554</u>	<u>\$ (463)</u>	<u>\$ 415,227</u>

See Accompanying Notes to the Financial Statements.

- NOTE 1 - Summary of Significant Accounting Policies*
- NOTE 2 - Reconciliation of Government-Wide and Fund Financial Statements*
- NOTE 3 - Stewardship, Compliance and Accountability*
- NOTE 4 - Deposits and Investments*
- NOTE 5 - Receivables*
- NOTE 6 - Capital Assets*
- NOTE 7 - Interfund Receivables. Payables and Transfers*
- NOTE 8 - Leases*
- NOTE 9 - Long-term Debt*
- NOTE 10 - Restricted Assets*
- NOTE 11 - Risk Management*
- NOTE 12 - Other Post-Employment Benefits*
- NOTE 13 - Employee Retirement Plan*
- NOTE 14 - Pending Litigation*
- NOTE 15 - Compensated Absences*
- NOTE 16 - Deferred Compensation Plan*
- NOTE 17 - Monroe County Joint Powers Water Contracts
(South County Water System)*
- NOTE 18 - Required Supplementary Information*
- NOTE 19 - Conduit Debt*
- NOTE 20 - Related Party Transaction*

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Bedford Township conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by Bedford Township:

A - Reporting Entity

Bedford Township is a municipal corporation governed by an elected seven member board. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Although blended component units are legal separate entities, in substance, they are part of the government's operations. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government.

Blended Component Unit - The Township has no blended component units.

Discretely Presented Component Units -The Economic Development Corporation is used to issue bonds to promote commercial and industrial growth. All bonds are issued in accordance with the provisions of Act No. 270 and were to be repaid solely from net revenues received from the project under contract and the bonds shall never constitute a general obligation of the Economic Development Corporation of the Township of Bedford. The Township appoints the governing body of the Corporation, approves budgets, tax levies and debt issues. The Corporation is reported as a governmental fund.

The Downtown Development Authority is a tax increment district that provides infrastructure to promote development or redevelopment. The Authority may issue debt which is repaid from assessments or tax increment captures. The Township appoints the governing body of the Authority, approves budgets, tax levies and debt issues. The Authority is reported as a governmental fund.

The Brownfield Redevelopment Authority is a separate legal entity created to finance environmental cleanup within the Township. The Township appoints the governing body of the Authority, approves budgets, tax levies and debt issues. The Authority is reported as a governmental fund.

Complete financial statements for each of the individual component units may be obtained at the Bedford Township office.

B - Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C - Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

Property taxes, state-shared revenue, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered available only when cash is received by the government.

Bedford Township property tax is levied on each December 1st on the taxable valuation of property (as defined by State statutes) located in the Bedford Township as of the preceding December 31st. Although the Bedford Township 2007 ad valorem tax is levied and collectible on December 1, 2007, it is the Bedford Township's policy to recognize revenue from the current tax levy in the current year when the proceeds of this levy are budgeted and made "available" for the financing of operations. "Available" means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period (within 60 days). The 2007 taxable valuation of the Bedford Township totaled \$1,082,475,752 million, on which advalorem taxes levied consisted of .7918 mills for the Bedford Township operating purposes, .104 mills for sewer debt, .898 mills for fire protection, .7185 mills for library improvements and operations, .1964 mills for bus transportation, and .400 mills for law enforcement. The taxes generated are recognized in the respective General, Special Revenue and Debt Service Fund financial statements as taxes receivable - current or as tax revenue.

The government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Fire Fund accounts for tax and assessment revenues specifically dedicated to fire protection.

The Water Fund accounts for tap and assessment revenues, water system construction and related debt service.

The Greenhills Debt Fund accounts for assessment revenue and related debt service for a road project.

The government reports the following major proprietary funds:

The Sewer Fund accounts for the activities of the sewage collection and treatment system.

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Additionally, the government reports the following fund types:

The pension trust fund accounts for the activities of the township employees retirement system which accumulates resources for pension benefit payments to qualified employees.

The cemetery trust fund provides burial services for indigent township residents.

Private-sector standards of accounting issued prior to December 1, 1989, are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board. The government has elected not to follow private-sector standards issued after November 30, 1989 for its business-type activities.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's water and sewer function and various other functions of the government. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenue include: (1) charges to customers or applicants for goods, services or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes.

Proprietary funds distinguish operating revenue and expenses from non-operating items. Operating revenue and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of our proprietary funds relate to charges to customers for sales and services. The water and sewer fund also recognizes tap fees as operating revenue. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenue and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities, and Net Assets or Equity

Bank Deposits and Investments--Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Receivables and Payables--In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. Property taxes are levied on each December 1st on the taxable valuation of property as of the preceding December 31st. Taxes are considered delinquent on March 1st of the following year, at which time penalties and interest are assessed.

Inventories and Prepaid Items--Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

Restricted Assets--The bonds of the enterprise funds require amounts to be set aside for construction, debt service principal and interest, operations and maintenance, and a bond reserve. These amounts have been classified as restricted assets, as well as amounts on deposit at the county being held for the construction or debt service of Bedford Township's water and sewer lines.

Capital Assets--Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Interest incurred during the construction of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant and equipment is depreciated using the straight-line method over the following useful lives:

Buildings	50 years
Improvements Other than Buildings	5 to 20 years
Machinery and Equipment	3 to 15 years
Water and Sewer Lines	30 to 50 years
Infrastructure	20 to 50 years

Compensated Absences (Vacation and Sick Leave)--It is the government's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. All vacation and sick leave pay is accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year-end.

Long-Term Obligations--In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from actual debt proceeds received, are reported as debt service expenditures.

Fund Equity--In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Comparative Data/Reclassifications--Comparative total data for the prior year have been presented only for individual enterprise funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

NOTE 2--RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

- A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds". The details of this \$8,071,642 are as follows:

Bonds payable	\$ (7,939,550)
Accrued interest payable	(51,194)
Compensated absences	<u>(80,898)</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u>\$ (8,071,642)</u>

- B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "-Governmental funds report capital outlays as expenditures; however, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense". The details of this \$1,401,693 are as follows:

Capital outlay	\$ 2,464,354
Depreciation	(1,062,661)
	<u>\$ 1,401,693</u>

Another element of that reconciliation states that "Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this \$4,096 are as follows:

Compensated absences	\$ 5,274
Accrued interest	(1,178)
	<u>\$ 4,096</u>

NOTE 3--STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information--Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general and all special revenue funds. All annual appropriations lapse at fiscal year end. On or before the 1st day of April the Supervisor shall prepare and submit to the Township Board a recommended budget within the tax limit and other revenue sources of the Township covering the next fiscal year. A public hearing on the budget shall be held before its final adoption. On or before the end of the fiscal year, the Township Board shall adopt a budget for the ensuing fiscal year. The budget document presents information by fund, function, activity and line items. The legal level of budgetary control adopted by the governing body is the activity level. (i.e., The level at which expenditures may not legally exceed appropriations). The Supervisor is authorized to transfer budgeted amounts between line-items within an activity category; however, any revisions that alter the total expenditures of any activity must be approved by the Township Board.

Amounts encumbered for purchase orders, contracts, etc., are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered.

Excess of Expenditures Over Appropriations in Budgeted Funds-- During the year, Bedford Township incurred expenditures in certain budgeted funds which were in excess of the amounts appropriated, as follows:

Budget Item	Actual Expenditure	Budget Appropriation
<i>General Fund:</i>		
Debt Service	\$ 264,212	\$ 142,100
Transfer to Other Funds	308,168	143,360
Fire Fund	1,488,482	1,282,150
Water Fund	357,527	355,000

These excess expenditures were funded by available fund balance.

Fund Deficits--Bedford Township had one accumulated fund balance/retained earning deficit.

Component Unit - Brownfield Redevelopment	\$ <u>(463)</u>
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NOTE 4--DEPOSITS AND INVESTMENTS

Michigan Compiled Laws, Section 129.91, authorizes the local governmental unit to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The local unit is allowed to invest in bonds, securities and other direct obligations of the United States or any agency or instrumentality of the United States; United States government or federal agency obligations; repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

The Local Governmental Unit Board has designated banks for the deposit of Local Unit funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs, but not the remainder of State statutory authority as listed above.

The Local Governmental Unit's deposits and investment policy are in accordance with statutory authority.

At year-end, the Local Unit's deposits were reported in the basic financial statements in the following categories:

<u>Primary Government</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Fiduciary Funds</u>	<u>Total</u>	<u>Bank Balance</u>
Cash and Cash Equivalents	\$ 7,677,591	\$ 3,187,979	\$ 6,321	\$ 10,871,891	\$ 11,029,796
Restricted Cash	6,412	5,867,341	-	5,873,753	5,873,753
Total	<u>\$ 7,684,003</u>	<u>\$ 9,055,320</u>	<u>\$ 6,321</u>	<u>\$ 16,745,644</u>	<u>\$ 16,903,549</u>
				Federal Depository Insurance Coverage	<u>\$ 300,000</u>
<u>Component Units</u>	<u>Economic Development Corporation</u>	<u>Downtown Development Authority</u>	<u>Brownfield Redevelopment Authority</u>	<u>Total</u>	<u>Bank Balance</u>
Cash and Cash Equivalents	\$ 20,584	\$ 887,158	\$ 331	\$ 908,073	\$ 908,073
				Federal Depository Insurance Coverage	<u>\$ 200,000</u>

NOTE 4--DEPOSITS AND INVESTMENTS (Continued)

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Township evaluates each financial institution and assesses the risk level of each one, those with adequate risk levels are used for deposits. The Township has policy for this risk.

Custodial Credit Risk of Investments

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not recover the value of its investments or collateral securities that are in the custody of an outside party. The Township has only investments in mutual funds in the amount of \$1,574,816 which are uninsured, unregistered and held by counterparties for the particular securities. The Township has no policy for this risk.

Interest Rate Risk

Interest rate risk is the risk that the value on investments will decrease as a result of a rise in interest rates. The Township has no policy for this risk. The Township has no policy with respect to investment maturities.

Credit Risk

State law limits investments in commercial paper to the top two ratings issued by a nationally recognized statistical rating organizations. The Township follows the state guidelines and has no investments in this category. The Township has no policy for this risk.

NOTE 5--RECEIVABLES

Receivables as of year-end for the government's individual major and nonmajor funds, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<i>General Fund</i>	<i>Sewer Fund</i>	<i>Water Fund</i>	<i>Greenhills Debt Fund</i>	<i>Nonmajor Funds</i>	<i>Total</i>
Accounts	\$ 58,623	\$ 1,082,385	\$ 1,667	\$ -	\$ 8,091	\$ 1,150,766
Special Assessments	37,860	-	734,222	1,311,274	697,256	2,780,612
Tap-Ins	-	-	983	-	-	983
Grants and Loans	-	-	-	-	132,352	132,352
Gross Receivables	96,483	1,082,385	736,872	1,311,274	837,699	4,064,713
Less: Allowance for Uncollectibles	-	-	-	-	-	-
Net Receivables	<u>\$ 96,483</u>	<u>\$ 1,082,385</u>	<u>\$ 736,872</u>	<u>\$ 1,311,274</u>	<u>\$ 837,699</u>	<u>\$ 4,064,713</u>

Governmental funds report deferred revenue in connection with receivables for revenue that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the various components of deferred revenue are as follows:

	<i>Unavailable</i>
Loans and Grants	\$ 132,352
Special Assessments	2,780,612
Total	<u>\$ 2,912,964</u>

NOTE 6--CAPITAL ASSETS

Capital asset activity of the primary government for the current year was as follows:

<u>Primary Government</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Governmental Activities</u>				
Capital Assets Not Being Depreciated :				
Land	\$ 636,785	\$ -	\$ -	\$ 636,785
Construction in Progress	2,110,622	-	(2,110,622)	-
	<u>2,747,407</u>	<u>-</u>	<u>(2,110,622)</u>	<u>636,785</u>
Capital Assets Being Depreciated :				
Buildings	6,539,929	3,177,861	-	9,717,790
Improvements Other Than Buildings	103,440	255,013	-	358,453
Infrastructure	2,963,810	367,420	-	3,331,230
Machinery and Equipment	6,202,871	774,681	(291,925)	6,685,627
Subtotal	<u>15,810,050</u>	<u>4,574,975</u>	<u>(291,925)</u>	<u>20,093,100</u>
Less Accumulated Depreciation for :				
Buildings	1,339,990	468,432	-	1,808,422
Improvements Other Than Buildings	5,782	17,012	-	22,794
Infrastructure	320,481	70,466	-	390,947
Machinery and Equipment	3,999,719	506,751	(269,470)	4,237,000
Subtotal	<u>5,665,972</u>	<u>1,062,661</u>	<u>(269,470)</u>	<u>6,459,163</u>
Net Capital Assets Being Depreciated	<u>10,144,078</u>	<u>3,512,314</u>	<u>(22,455)</u>	<u>13,633,937</u>
Governmental Activities Total				
Capital Assets--Net of Depreciation	<u>\$ 12,891,485</u>	<u>\$ 3,512,314</u>	<u>\$ (2,133,077)</u>	<u>\$ 14,270,722</u>
<u>Business-Type Activities</u>				
Capital Assets Not Being Depreciated :				
Land	\$ 40,000	\$ -	\$ -	\$ 40,000
Construction in Progress	1,896,949	58,102	-	1,955,051
	<u>1,936,949</u>	<u>58,102</u>	<u>-</u>	<u>1,995,051</u>
Capital Assets Being Depreciated :				
Buildings and System	34,042,275	-	-	34,042,275
Machinery and Equipment	506,459	13,990	-	520,449
	<u>34,548,734</u>	<u>13,990</u>	<u>-</u>	<u>34,562,724</u>
Less Accumulated Depreciation for :				
Buildings and System	16,270,602	680,846	-	16,951,448
Machinery and Equipment	435,491	10,217	-	445,708
	<u>16,706,093</u>	<u>691,063</u>	<u>-</u>	<u>17,397,156</u>
Net Capital Assets Being Depreciated	<u>17,842,641</u>	<u>(677,073)</u>	<u>-</u>	<u>17,165,568</u>
Business-Type Activities Total				
Capital Assets--Net of Depreciation	<u>\$ 19,779,590</u>	<u>\$ (618,971)</u>	<u>\$ -</u>	<u>\$ 19,160,619</u>

Depreciation expense was charged to programs of the primary government as follows:

<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
General Government	\$ 194,752	Sewer	<u>\$ 691,063</u>
Public Safety	380,968		
Public Works	140,926		
Recreation and Culture	346,015		
Total Governmental Activities	<u>\$ 1,062,661</u>		

Construction Commitments

The Township has no construction contract commitments at June 30, 2008.

Discretely Presented Component Units

Capital asset activity of the Economic Development Corporation for the current year was as follows:

	<i>Beginning Balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending Balance</i>
Capital Assets Being Depreciated :				
Improvements Other Than Buildings	\$ 5,200	\$ -	\$ -	\$ 5,200
Less Accumulated Depreciation for :				
Improvements Other Than Buildings	5,200	-	-	5,200
Economic Development Corporation				
Capital Assets - Net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Capital asset activity of the Downtown Development Authority for the current year was as follows:

	<i>Beginning Balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending Balance</i>
Capital Assets Being Depreciated :				
Infrastructure	\$ 32,672	\$ -	\$ -	\$ 32,672
Less Accumulated Depreciation for :				
Infrastructure	6,535	3,267	-	9,802
Downtown Development Authority				
Capital Assets - Net	<u>\$ 26,137</u>	<u>\$ (3,267)</u>	<u>\$ -</u>	<u>\$ 22,870</u>

NOTE 7--INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances is as follows:

Due To/From Other Funds

<i>Receivable Fund</i>	<i>Payable Fund</i>	<i>Amount</i>
General	Nonmajor	87,431
	Sewer	66,550
	Fire	6,541
	Water	4,540
Water	Nonmajor	6,551
Greenhills Debt	Nonmajor	500
Sewer	Nonmajor	7,500
Nonmajor	Nonmajor	2,122
Total		<u>\$ 181,735</u>

Interfund Transfers

	<i>Non-Major Governmental Funds</i>	<i>Transfers In</i>	<i>Total</i>
<i>Transfers Out:</i>			
Non-Major Governmental Funds	\$ 5,824		\$ 5,824
General Fund	308,168		308,168
	<u>\$ 313,992</u>		<u>\$ 313,992</u>

NOTE 8--LEASES

Bedford Township had no lease obligations at June 30, 2008.

NOTE 9--LONG-TERM DEBT

The government issues bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. County contractual agreements and installment purchase agreements are also general obligations of the government. Special assessment bonds provide for capital improvements that benefit specific properties, and will be repaid from amounts levied against those properties benefited from the construction. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the government is obligated to provide resources to cover the deficiency until other resources (such as tax sale proceeds or a re-assessment of the district) are received. Revenue bonds involve a pledge of specific income derived from the acquired or constructed assets to pay debt service.

Bond and contractual obligation activity can be summarized as follows:

	<u>Interest Rate</u>	<u>Principal Matures</u>	<u>Beginning Balance</u>	<u>Additions (Reductions)</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities						
County Contractual Obligations						
Road Bonds-2002	2.75-4.0%	2012-13	\$ 600,000	\$ (100,000)	\$ 500,000	\$ 100,000
Road Bonds-2005	4.50%	2017-18	354,900	(25,350)	329,550	25,350
Water Line	2.0-3.5%	2011-12	925,000	(185,000)	740,000	185,000
Sewer	5.00%	2008-09	450,000	(225,000)	225,000	225,000
Limited Tax General Obligation						
Township Hall	3.5-4.2%	2026-27	1,955,000	(65,000)	1,890,000	70,000
Road Bonds-2006	4.00%	2021-22	1,840,000	(130,000)	1,710,000	130,000
Roads-Water-2008	4.0-4.5%	2021-22	-	520,000	520,000	45,000
Library Bonds	2.0-3.4%	2011-12	2,480,000	(455,000)	2,025,000	475,000
Total Governmental Activities			<u>\$ 8,604,900</u>	<u>\$ (665,350)</u>	<u>\$ 7,939,550</u>	<u>\$ 1,255,350</u>
Business-Type Activities						
County Contractual Obligations						
Sewer System	2.00%	2012-13	\$ 2,220,000	\$ (355,000)	\$ 1,865,000	\$ 355,000
Sewer System-2005	3.8-4.05%	2020-21	1,305,000	(35,000)	1,270,000	50,000
Total Business-Type Activities			<u>\$ 3,525,000</u>	<u>\$ (390,000)</u>	<u>\$ 3,135,000</u>	<u>\$ 405,000</u>
Component Unit - Downtown Development Authority						
County Contractual Obligations						
Road Bonds-1999	4.2-5.0%	2011-12	<u>\$ 641,673</u>	<u>\$ (116,667)</u>	<u>\$ 525,006</u>	<u>\$ 122,500</u>

Annual debt service requireig

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Component Unit</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 1,255,350	\$ 285,938	\$ 405,000	\$ 82,063	\$ 122,500	\$ 25,876
2010	1,055,350	248,051	430,000	72,723	128,339	19,996
2011	1,078,800	213,493	435,000	62,948	134,167	13,708
2012	1,108,800	176,193	445,000	52,978	140,000	7,000
2013	383,800	136,374	465,000	42,618	-	-
2014 and after	3,057,450	755,438	955,000	155,991	-	-
Total	<u>\$ 7,939,550</u>	<u>\$ 1,815,487</u>	<u>\$ 3,135,000</u>	<u>\$ 469,321</u>	<u>\$ 525,006</u>	<u>\$ 66,580</u>

NOTE 10--RESTRICTED ASSETS

The balances of the restricted asset (cash with fiscal agent) accounts in the proprietary fund are as follows:

Debt Retirement	\$ 249
Replacement	3,836,500
Construction	30,499
Operations	2,000,093
	<u>\$ 5,867,341</u>

NOTE 11--RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township purchases commercial insurance for all of these risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three years. There were no significant reductions of insurance coverage from the prior year.

The Michigan Townships Participating Plan operates as an insurance purchasing pool for local units of government in Michigan. The Plan purchases commercial insurance on behalf of its members at a lower cost than would be available on an individual basis.

NOTE 12--OTHER POST-EMPLOYMENT BENEFITS

The Township has post-employment health and dental benefits provided to retired board members and employees. This plan is established by the Township Board as an ordinance.

The Township funds these benefits on a "pay-as-you-go" basis. The total cost of these benefits for the year ended June 30, 2008, was approximately \$22,200 and there were four participants who qualified for and received benefits for this year.

Future Reporting Change - Governmental Accounting Standards Board Statement No. 45 becomes effective for the year beginning July 1, 2008. This pronouncement will mandate the cost of providing retiree health care over the working life of the employee, be recognized in the government-wide financial statements.

NOTE 13--EMPLOYEE RETIREMENT PLAN

Defined Contribution Pension Plan

The Township provides pension benefits for all of its full time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus any investment earnings. The plan was established and may be amended by the Township Board.

Bedford Township contributes thirteen percent of base wages for each employee with the employee having an optional contribution of up to ten percent. An employee is fully vested after twenty-one months of service. An insurance company (John Hancock) administers the plan and the Township makes monthly contributions. The Township's total payroll for this year was \$1,781,067. The Township made the required contribution of \$156,127 on covered payroll of \$1,200,977.

All full time employees participate in the plan.

NOTE 14 -- PENDING LITIGATION

At present, there are no cases of litigation pending that would have a material effect on the financial statements.

NOTE 15 -- COMPENSATED ABSENCES

Compensated absence activity can be summarized as follows:

<i>Fund</i>	<i>Beginning Balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending Balance</i>	<i>Due Within One Year</i>
<u>Governmental</u>					
General Fund	\$ 64,040	\$	\$ (774)	\$ 63,266	\$ 3,000
Fire Fund	1,659	1,387	-	3,046	-
Building Inspection	23,472		(5,886)	17,586	-
	<u>\$ 89,171</u>	<u>\$ 1,387</u>	<u>\$ (6,660)</u>	<u>\$ 83,898</u>	<u>\$ 3,000</u>
<u>Business - Type</u>					
Sewer Fund	<u>\$ 623</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 623</u>	<u>\$ 300</u>

NOTE 16--DEFERRED COMPENSATION PLAN

The Bedford Township Board offers all Bedford Township employees a deferred compensation plan created in accordance with the Internal Revenue Code, Section 457. The assets of the plans were held in trust, (custodial account or annuity contract) as described in IRC Section 457 (g) for the exclusive benefit of the participants (employees) and their beneficiaries. The custodian thereof holds the custodial account for the beneficiaries of this Section 457 plan, and the assets may not be diverted to any other use. The Administrators are agents of the employer for purposes of providing direction to the custodian of the custodial account from time to time for the investment of the funds held in the account, transfer of assets to or from the account and all other matters. In accordance with the provisions of GASB Statement 32, plan balances and activities are not reflected in Bedford Township's financial statements.

NOTE 17 -- MONROE COUNTY JOINT POWERS WATER CONTRACTS (South County Water System)

Bedford Township, in conjunction with three other communities, has entered into a contract with the Monroe County Drain Commission to provide a water supply and water mains for each of the communities. This is considered a joint venture without an equity interest.

Each community's liability is computed annually using assessed property valuation as a basis. Therefore, Bedford Township's liability under this contract is presently undeterminable but, at this time, is estimated to be approximately 60% of the contract amount. The South County Water System currently makes all payments of principal and interest on these contracts, but the units of government will still be liable for principal should South County Water System not be able to meet the obligation.

The Township's estimated share of assets, liabilities, and fund equity is 60%. Summary financial information as of, and for the fiscal year ended December 31, 2007 is as follows:

	<u>South County Water System</u>
Cash and Investments	\$ 8,017,633
Other Assets	24,630,649
Total Assets	<u>32,648,282</u>
 Total Liabilities	 <u>4,475,058</u>
 Total Net Assets	 <u>\$ 28,173,224</u>
 Total Revenue	 \$ 4,930,221
Total Expenses	3,655,255
Net Change in Net Assets	<u>\$ 1,274,966</u>
 Current Portion of Long-Term Debt	 \$ 145,000
Long-Term Debt, Less Current Portion	3,976,850
Total Debt	<u>\$ 4,121,850</u>

Complete financial statements for this joint entity are in the 2007 Financial Statements of the Monroe County Drain Commission County Agency.

NOTE 18 -- REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Information--Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general and all special revenue funds.

NOTE 19 -- CONDUIT DEBT

The Economic Development Corporation has issued bonds in the amount of \$6,103,077 due in full in 2024. All bonds are issued in accordance with the provisions of Act No. 270 and were to be repaid solely from net revenues received from the project under contract and the bonds shall never constitute a general obligation of the Economic Development Corporation of the Township of Bedford.

NOTE 20 -- RELATED PARTY TRANSACTION

The Township paid \$4,120 to a relative of a Trustee for landscaping services at the new Government Center.

Required Supplementary Information

BEDFORD TOWNSHIP

GENERAL FUND

SCHEDULE OF REVENUE AND EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Taxes	\$ 939,000	\$ 939,000	\$ 888,061	\$ (50,939)
Licenses and Permits	217,400	217,400	258,408	41,008
State Grants	1,935,000	1,935,000	1,987,602	52,602
Charges for Services	50,250	50,250	19,060	(31,190)
Fines and Forfeits	30,000	30,000	26,775	(3,225)
Interest	115,000	115,000	73,295	(41,705)
Other	311,000	311,000	381,090	70,090
Total Revenue	<u>3,597,650</u>	<u>3,597,650</u>	<u>3,634,291</u>	<u>36,641</u>
Expenditures:				
Current:				
General Government				
Township Board	59,750	59,750	52,550	7,200
Supervisor	111,450	114,000	113,186	814
Elections	31,100	39,100	38,355	745
Finance	55,500	57,000	55,714	1,286
Clerk	151,650	160,000	156,649	3,351
Board of Review	6,500	6,500	3,572	2,928
Treasurer	165,550	175,000	167,136	7,864
Assessing	218,700	226,700	222,355	4,345
Cemetery	8,000	8,000	4,065	3,935
Building and Grounds	1,311,200	1,646,300	1,531,504	114,796
Legal	71,000	104,000	102,299	1,701
Property - Other	171,500	200,000	198,398	1,602
Planning Commission	197,000	194,500	188,471	6,029
Board of Zoning Appeals	12,500	12,800	10,704	2,096
Township at Large	59,350	70,350	59,503	10,847
Beautification	10,000	10,000	7,705	2,295
Community Action	31,000	22,000	20,982	1,018
Insurance	122,000	122,000	107,493	14,507
Fringe Benefits	410,000	425,000	374,860	50,140
Social Security	83,500	83,500	57,640	25,860
Senior Citizens	10,000	10,000	10,000	-
Total General Government	<u>3,297,250</u>	<u>3,746,500</u>	<u>3,483,141</u>	<u>263,359</u>
Public Safety				
Ordinance	58,800	54,800	51,555	3,245
Police	557,500	690,000	684,900	5,100
Emergency Management	5,000	1,000	356	644
Mosquito Control	60,600	105,600	100,914	4,686
Total Public Safety	<u>681,900</u>	<u>851,400</u>	<u>837,725</u>	<u>13,675</u>
Public Works				
Drains	24,000	36,000	35,035	965
Street Lighting	170,000	170,000	161,662	8,338
Roads	522,050	400,000	276,413	123,587
Total Public Works	<u>716,050</u>	<u>606,000</u>	<u>473,110</u>	<u>132,890</u>
Debt Service				
Principal	142,100	142,100	165,000	(22,900)
Interest			99,212	(99,212)
Total Debt Service	<u>142,100</u>	<u>142,100</u>	<u>264,212</u>	<u>(122,112)</u>
Total Current Expenditures	<u>4,837,300</u>	<u>5,346,000</u>	<u>5,058,188</u>	<u>287,812</u>
Excess of Revenue Over				
(Under) Expenditures	<u>(1,239,650)</u>	<u>(1,748,350)</u>	<u>(1,423,897)</u>	<u>324,453</u>
Other Financing Sources (Uses):				
Operating Transfers to Other Funds	<u>(143,360)</u>	<u>(143,360)</u>	<u>(308,168)</u>	<u>(164,808)</u>
Operating Transfers from Other Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(143,360)</u>	<u>(143,360)</u>	<u>(308,168)</u>	<u>(164,808)</u>
Excess of Revenue & Other Financing				
Sources Over Expenditures & Other				
Financing Uses	<u>(1,383,010)</u>	<u>(1,891,710)</u>	<u>(1,732,065)</u>	<u>159,645</u>
Fund Balance - Beginning	<u>3,119,524</u>	<u>3,119,524</u>	<u>3,119,524</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 1,736,514</u>	<u>\$ 1,227,814</u>	<u>\$ 1,387,459</u>	<u>\$ 159,645</u>

BEDFORD TOWNSHIP
FIRE DEPARTMENT FUND
SCHEDULE OF REVENUE AND EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with</i>
	<i>Original</i>	<i>Final</i>	<i>Amounts</i>	<i>Final Budget</i>
				<i>Positive</i>
				<i>(Negative)</i>
Revenue:				
Property Taxes	\$	\$	\$ 938,320	\$
Assessments			119,097	
Interest			41,015	
Other			45,823	
Total Revenue	<u>1,182,500</u>	<u>1,119,500</u>	<u>1,144,255</u>	<u>24,755</u>
Current Expenditures:				
Public Safety:				
Wages			458,664	
Social Security			42,884	
Fringe Benefits			23,407	
Fuel			9,040	
Legal			3,775	
Supplies			48,488	
Contracted Services			121,279	
Medical			1,924	
Training			8,030	
Maintenance			78,622	
Conferences			12,442	
Insurance			21,705	
Utilities			41,419	
Capital Outlay			616,803	
Total Expenditures	<u>1,192,150</u>	<u>1,282,150</u>	<u>1,488,482</u>	<u>(206,332)</u>
Excess of Revenue Over (Under)				
Expenditures	(9,650)	(162,650)	(344,227)	(181,577)
Fund Balance, Beginning	<u>1,390,017</u>	<u>1,390,017</u>	<u>1,390,017</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 1,380,367</u>	<u>\$ 1,227,367</u>	<u>\$ 1,045,790</u>	<u>\$ (181,577)</u>

BEDFORD TOWNSHIP**WATER FUND****SCHEDULE OF REVENUE AND EXPENDITURES AND CHANGES IN FUND BALANCE****BUDGET AND ACTUAL****FOR THE YEAR ENDED JUNE 30, 2008**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with</i>
	<i>Original</i>	<i>Final</i>	<i>Amounts</i>	<i>Final Budget</i>
				<i>Positive</i>
				<i>(Negative)</i>
Revenue:				
Assessments	\$	\$	\$ 208,793	\$
Interest			106,089	
Other			53,021	
Total Revenue	<u>329,000</u>	<u>396,000</u>	<u>367,903</u>	<u>(28,097)</u>
Current Expenditures:				
Public Works:				
Board Fees			835	
Professional Fees			142,881	
Other			256	
Debt Service:				
Principal			185,000	
Interest and Fiscal Charges			28,555	
Total Expenditures	<u>237,000</u>	<u>355,000</u>	<u>357,527</u>	<u>(2,527)</u>
Excess of Revenue Over (Under)				
Expenditures	92,000	41,000	10,376	(30,624)
Fund Balance, Beginning	<u>2,073,345</u>	<u>2,073,345</u>	<u>2,073,345</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 2,165,345</u>	<u>\$ 2,114,345</u>	<u>\$ 2,083,721</u>	<u>\$ (30,624)</u>

Supplementary Information

BEDFORD TOWNSHIP
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2008

	Special Revenue							Capital Projects			Debt Service				Total Nonmajor Governmental Funds
	Park	Transit System	Building Inspection	Rehabilitation	Metro Act	Law Enforcement	Library	Capital Improvements	Township Hall Construction	Road Improvement	Sewer Debt Service	Fairfield Dr. Debt Service	Sarah Drive Debt Service	Barbara Lee Debt Service	
Assets															
Cash and Cash Equivalents	\$ 202,513	\$ 193,172	\$ 84,206	\$ 32,194	\$ 53,424	\$ 712,288	\$ 929,702	\$ 28,107	\$ -	\$ 87,516	\$ 223,716	\$ 97,931	\$ 20,283	\$ 91,959	\$ 2,757,011
Accounts Receivable	6,880	-	-	-	-	-	-	-	-	-	1,211	-	-	-	8,091
Loans Receivable	-	-	-	132,352	-	-	-	-	-	-	-	-	-	-	132,352
Grants Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Assessments Receivable	-	-	-	-	-	-	-	-	-	-	-	246,412	12,454	438,390	697,256
Due From Other Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	2,122	2,122
Cash With Fiscal Agent	-	-	-	-	-	-	-	-	-	6,108	304	-	-	-	6,412
Total Assets	<u>\$ 209,393</u>	<u>\$ 193,172</u>	<u>\$ 84,206</u>	<u>\$ 164,546</u>	<u>\$ 53,424</u>	<u>\$ 712,288</u>	<u>\$ 929,702</u>	<u>\$ 28,107</u>	<u>\$ -</u>	<u>\$ 93,624</u>	<u>\$ 225,231</u>	<u>\$ 344,343</u>	<u>\$ 32,737</u>	<u>\$ 532,471</u>	<u>\$ 3,603,244</u>
Liabilities And Fund Balance															
Liabilities:															
Accounts Payable	\$ 18,250	\$ 27,186	\$ 1,745	\$ -	\$ -	\$ 107,427	\$ 9,303	\$ 249	\$ -	\$ -	\$ -	-	\$ -	-	\$ 164,160
Accrued Wages	431	-	6,891	-	-	-	265	-	-	-	-	-	-	-	7,587
Accrued Payroll Taxes	-	-	1,082	-	-	-	-	-	-	-	-	-	-	-	1,082
Due to Other Funds	279	39	27,939	-	-	31,096	28,077	8,673	-	-	-	-	-	500	96,603
Deferred Revenue	-	-	-	132,352	-	-	-	-	-	-	-	246,412	12,454	438,390	829,608
Total Liabilities	<u>18,960</u>	<u>27,225</u>	<u>37,657</u>	<u>132,352</u>	<u>-</u>	<u>138,523</u>	<u>37,645</u>	<u>8,922</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>246,412</u>	<u>12,454</u>	<u>438,890</u>	<u>1,099,040</u>
Fund Balance:															
Reserved	-	-	-	-	-	-	-	-	-	-	225,231	97,931	20,283	93,581	437,026
Total Reserved	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>225,231</u>	<u>97,931</u>	<u>20,283</u>	<u>93,581</u>	<u>437,026</u>
Unreserved Undesignated	190,433	165,947	46,549	32,194	53,424	573,765	892,057	19,185	-	93,624	-	-	-	-	2,067,178
Total Fund Balance	<u>190,433</u>	<u>165,947</u>	<u>46,549</u>	<u>32,194</u>	<u>53,424</u>	<u>573,765</u>	<u>892,057</u>	<u>19,185</u>	<u>-</u>	<u>93,624</u>	<u>225,231</u>	<u>97,931</u>	<u>20,283</u>	<u>93,581</u>	<u>2,504,204</u>
Total Liabilities and Fund Balance	<u>\$ 209,393</u>	<u>\$ 193,172</u>	<u>\$ 84,206</u>	<u>\$ 164,546</u>	<u>\$ 53,424</u>	<u>\$ 712,288</u>	<u>\$ 929,702</u>	<u>\$ 28,107</u>	<u>\$ -</u>	<u>\$ 93,624</u>	<u>\$ 225,231</u>	<u>\$ 344,343</u>	<u>\$ 32,737</u>	<u>532,471</u>	<u>\$ 3,603,244</u>

BEDFORD TOWNSHIP
COMBINING STATEMENT OF REVENUE, AND EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Special Revenue							Capital Projects			Debt Service				Total Nonmajor Governmental Funds
	Park	Transit System	Building Inspection	Rehabilitation	Metro Act	Law Enforcement	Library	Capital Improvements	Township Hall Construction	Road Improvement	Sewer Debt Service	Fairfield Dr. Debt Service	Sarah Drive Debt Service	Barbara Lee Debt Service	
Revenues:															
Taxes	\$ -	\$ 205,397	\$ -	\$ -	\$ -	\$ 417,361	751,679	\$ -	\$ -	\$ -	\$ 108,627	\$ -	\$ -	\$ -	\$ 1,483,064
Licenses and Permits	-	-	212,004	-	25,530	-	-	-	-	-	-	-	-	-	237,534
Assessments	-	-	-	-	-	-	-	-	-	-	-	26,879	12,454	116,794	156,127
Interest	11,753	4,296	5,922	368	-	16,121	31,159	3,868	-	1,419	3,993	12,424	1,706	1,399	94,428
Other Revenue	21,170	-	-	11,867	-	-	-	-	-	-	2,493	-	-	-	35,530
Total Revenue	32,923	209,693	217,926	12,235	25,530	433,482	782,838	3,868	-	1,419	115,113	39,303	14,160	118,193	2,006,683
Expenditures:															
Current															
General Government	-	160,951	-	14,738	-	-	-	-	-	-	-	-	-	-	175,689
Public Safety	-	-	324,278	-	-	246,340	-	-	-	-	-	-	-	-	570,618
Public Works	-	-	-	-	-	-	-	184,934	-	3,373	-	-	-	-	188,307
Recreational and Cultural	169,501	-	-	-	-	-	140,474	-	-	-	-	-	-	-	309,975
Capital Outlay	166,412	-	-	-	-	20,473	134,727	334,749	-	-	-	-	-	-	656,361
Debt Service															
Principal	-	-	-	-	-	-	455,000	-	-	-	225,000	25,350	-	15,000	720,350
Interest and Fiscal Charges	-	-	-	-	-	-	72,033	-	-	-	17,203	12,010	-	9,612	110,858
Total Expenditures	335,913	160,951	324,278	14,738	-	266,813	802,234	519,683	-	3,373	242,203	37,360	-	24,612	2,732,158
Excess of Revenue Over (Under)															
Expenditures	(302,990)	48,742	(106,352)	(2,503)	25,530	166,669	(19,396)	(515,815)	-	(1,954)	(127,090)	1,943	14,160	93,581	(725,475)
Other Financing Sources (Uses):															
Bond Proceeds	-	-	-	-	-	-	-	535,000	-	-	-	-	-	-	535,000
Operating Transfers to Other Funds	-	-	-	-	-	-	-	-	-	(5,824)	-	-	-	-	(5,824)
Operating Transfers from Other Funds	143,360	-	-	-	-	-	-	-	164,808	-	-	5,824	-	-	313,992
Total Other Financing Sources (Uses)	143,360	-	-	-	-	-	-	535,000	164,808	(5,824)	-	5,824	-	-	843,168
Excess of Revenue & Other Sources Over (Under) Expenditures & Other Uses	(159,630)	48,742	(106,352)	(2,503)	25,530	166,669	(19,396)	19,185	164,808	(7,778)	(127,090)	7,767	14,160	93,581	117,693
Fund Balance - Beginning	350,063	117,205	152,901	34,697	27,894	407,096	911,453	-	(164,808)	101,402	352,321	90,164	6,123	-	2,386,511
Fund Balance - Ending	\$ 190,433	\$ 165,947	\$ 46,549	\$ 32,194	\$ 53,424	\$ 573,765	\$ 892,057	\$ 19,185	\$ -	\$ 93,624	\$ 225,231	\$ 97,931	\$ 20,283	\$ 93,581	\$ 2,504,204

PARK FUND

SCHEDULE OF REVENUE AND EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenue:				
Interest	\$	\$	\$ 11,753	\$
Rental Revenue			19,550	
Other			1,620	
Total Revenue	<u>20,000</u>	<u>20,000</u>	<u>32,923</u>	<u>12,923</u>
Current Expenditures:				
Recreational and Cultural				
Board Fees			16,109	
Wages			2,080	
Supplies			1,437	
Utilities			8,494	
Repairs and Maintenance			26,335	
Conferences and Workshops			3,057	
Recreation Commission			77,714	
Professional Services			1,878	
Memberships and Dues			442	
Janitorial Services			21,298	
Capital Outlay			166,412	
Refuse Collection			9,251	
Other			1,406	
Total Expenditures	<u>487,200</u>	<u>439,200</u>	<u>335,913</u>	<u>103,287</u>
Excess of Revenue Over (Under) Expenditures	<u>(467,200)</u>	<u>(419,200)</u>	<u>(302,990)</u>	<u>116,210</u>
Other Financing Sources (Uses):				
Operating Transfers In	<u>143,360</u>	<u>143,360</u>	<u>143,360</u>	<u>-</u>
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	<u>(323,840)</u>	<u>(275,840)</u>	<u>(159,630)</u>	<u>116,210</u>
Fund Balance, Beginning	<u>350,063</u>	<u>350,063</u>	<u>350,063</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 26,223</u>	<u>\$ 74,223</u>	<u>\$ 190,433</u>	<u>\$ 116,210</u>

BEDFORD TOWNSHIP**TRANSIT SYSTEM****SCHEDULE OF REVENUE AND EXPENDITURES AND CHANGES IN FUND BALANCE****BUDGET AND ACTUAL****FOR THE YEAR ENDED JUNE 30, 2008**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with</i>
	<i>Original</i>	<i>Final</i>	<i>Amounts</i>	<i>Final Budget</i>
				<i>Positive</i>
				<i>(Negative)</i>
Revenue:				
Property Taxes	\$	\$	\$ 205,397	\$
Interest Income			4,296	
Total Revenue	219,500	209,500	209,693	193
Current Expenditures:				
General Government				
Contracted Services			160,951	
Total Expenditures	180,000	180,000	160,951	19,049
Excess of Revenue Over (Under) Expenditures	39,500	29,500	48,742	19,242
Fund Balance, Beginning	117,205	117,205	117,205	-
Fund Balance, Ending	\$ 156,705	\$ 146,705	\$ 165,947	\$ 19,242

BEDFORD TOWNSHIP**BUILDING INSPECTION****SCHEDULE OF REVENUE AND EXPENDITURES AND CHANGES IN FUND BALANCE****BUDGET AND ACTUAL****FOR THE YEAR ENDED JUNE 30, 2008**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with</i>
	<i>Original</i>	<i>Final</i>	<i>Amounts</i>	<i>Final Budget</i>
				<i>Positive</i>
				<i>(Negative)</i>
Revenue:				
Licenses and Permits	\$	\$	\$ 212,004	\$
Interest Revenue			5,922	
Total Revenue	279,000	211,000	217,926	6,926
Current Expenditures:				
Public Safety:				
Salary			230,778	
Fringe Benefits			54,172	
Supplies			831	
Software			86	
Professional Fees			8,310	
Conferences and Workshops			95	
Membership Dues and Publications			864	
Maintenance			961	
Other			28,181	
Capital Outlay			-	
Total Expenditures	410,000	342,500	324,278	18,222
Excess of Revenue Over (Under) Expenditures	(131,000)	(131,500)	(106,352)	25,148
Fund Balance, Beginning	152,901	152,901	152,901	-
Fund Balance, Ending	21,901	\$ 21,401	\$ 46,549	\$ 25,148

BEDFORD TOWNSHIP**REHABILITATION FUND****SCHEDULE OF REVENUE AND EXPENDITURES AND CHANGES IN FUND BALANCE****BUDGET AND ACTUAL****FOR THE YEAR ENDED JUNE 30, 2008**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with</i>
	<i>Original</i>	<i>Final</i>	<i>Amounts</i>	<i>Final Budget</i>
				<i>Positive</i>
				<i>(Negative)</i>
Revenue:				
Interest	\$	\$	\$ 368	\$
Loan Payments			11,867	
Total Revenue	15,300	15,000	12,235	(2,765)
Current Expenditures:				
General Government:				
Loans Expense			14,178	
Board Fees			560	
Total Expenditures	43,750	15,000	14,738	262
Excess of Revenue Over (Under) Expenditures	(28,450)	-	(2,503)	(2,503)
Fund Balance, Beginning	34,697	34,697	34,697	-
Fund Balance, Ending	\$ 6,247	\$ 34,697	\$ 32,194	\$ (2,503)

BEDFORD TOWNSHIP**METRO ACT FUND****SCHEDULE OF REVENUE AND EXPENDITURES AND CHANGES IN FUND BALANCE****BUDGET AND ACTUAL****FOR THE YEAR ENDED JUNE 30, 2008**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with</i>
	<i>Original</i>	<i>Final</i>	<i>Amounts</i>	<i>Final Budget</i>
				<i>Positive</i>
				<i>(Negative)</i>
Revenue:				
Fees	\$	\$	\$ 25,530	\$ -
Interest			-	-
Total Revenue	<u>25,700</u>	<u>25,700</u>	<u>25,530</u>	<u>(170)</u>
Current Expenditures:				
Public Safety:				
Capital Outlay	-	-	-	-
Total Expenditures	<u>54,242</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenue Over (Under) Expenditures	<u>(28,542)</u>	<u>25,700</u>	<u>25,530</u>	<u>(170)</u>
Other Financing Sources (Uses):				
Operating Transfers Out	-	-	-	-
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	<u>(28,542)</u>	<u>25,700</u>	<u>25,530</u>	<u>(170)</u>
Fund Balance, Beginning	<u>27,894</u>	<u>27,894</u>	<u>27,894</u>	<u>-</u>
Fund Balance, Ending	<u>\$ (648)</u>	<u>\$ 53,594</u>	<u>\$ 53,424</u>	<u>\$ (170)</u>

BEDFORD TOWNSHIP
LAW ENFORCEMENT FUND
SCHEDULE OF REVENUE AND EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with</i>
	<i>Original</i>	<i>Final</i>	<i>Amounts</i>	<i>Final Budget</i>
				<i>Positive</i>
				<i>(Negative)</i>
Revenue:				
Property Taxes			417,361	
Interest	\$	\$	\$ 16,121	\$
Total Revenue	462,000	435,000	433,482	(1,518)
Current Expenditures:				
Public Safety				
Contracted Services			266,813	
Total Expenditures	346,500	319,500	266,813	52,687
Excess of Revenue Over (Under) Expenditures	115,500	115,500	166,669	51,169
Other Financing Sources (Uses):				
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Excess of Revenue & Other Sources Over (Under) Expenditures & Other Uses	115,500	115,500	166,669	51,169
Fund Balance, Beginning	407,096	407,096	407,096	-
Fund Balance, Ending	\$ 522,596	\$ 522,596	\$ 573,765	\$ 51,169

BEDFORD TOWNSHIP

LIBRARY FUND

SCHEDULE OF REVENUE AND EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2008

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with</i>
	<i>Original</i>	<i>Final</i>	<i>Amounts</i>	<i>Final Budget</i>
				<i>Positive</i>
				<i>(Negative)</i>
Revenue:				
Property Tax	\$	\$	\$ 751,679	\$
Other			-	
Interest			31,159	
Total Revenue	877,000	804,000	782,838	(21,162)
Current Expenditures:				
Recreational and Cultural				
Board Fees			3,390	
Operating Supplies			4,665	
Utilities			83,140	
Repairs and Maintenance			42,615	
Professional Services			3,900	
Water & Sewer Use Charges			1,984	
Other			780	
Capital Outlay			134,727	
Debt Service:				
Principal			455,000	
Interest and Fiscal Charges			72,033	
Total Expenditures	735,750	804,000	802,234	1,766
Excess of Revenue Over (Under)				
Expenditures	141,250	-	(19,396)	(19,396)
Other Financing Sources (Uses):				
Operating Transfers In	-	-	-	-
Excess of Revenue and Other Sources Over				
(Under) Expenditures and Other Uses	141,250	-	(19,396)	(19,396)
Fund Balance, Beginning	911,453	911,453	911,453	-
Fund Balance, Ending	\$ 1,052,703	\$ 911,453	\$ 892,057	\$ (19,396)



McGuire & McDole
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December 23, 2008

Bedford Township Board
PO Box H
Temperance, MI 48182

We have audited the financial statements of the Bedford Township for the year ended June 30, 2008, and have issued our report thereon dated December 5, 2008. Professional standards require that we provide you with the following information related to our audit.

As stated in our engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

We performed the audit according to the planned scope and timing previously communicated to you in our meeting with management.

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Bedford Township are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2008. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

The disclosures in the financial statements are neutral, consistent and clear.

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of the audit.

We have requested certain representations from management that are included in the management representation letter.

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all relevant facts. To our knowledge, there were no such consultations with other accountants.

We generally discuss a variety of matters, including the application of accounting principles, and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

In planning and performing our audit of the financial statements of Bedford Township as of and for the year ended June 30, 2008, in accordance with auditing standards generally accepted in the United States of America, we considered Bedford Township's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency in controls that results in more than a remote likelihood that material misstatement of the financial statements will not be prevented or detected. We deem the following to be material weaknesses.

Financial Statements --The Township does not maintain personnel or procedures to prepare financial statements required by generally accepted accounting principles in the United States of America including capital assets, accruals and disclosures.

Subsidiary Ledgers – Subsidiary ledgers for special assessments, tap ins, block grants, sewer accounts receivable and prepaid expenses were not updated and adequately maintained through the year. All entries to these ledgers should be posted and the detail totals balanced to the control accounts.

Misclassifications – There were several misclassifications in the revenue accounts. Due care should be taken in classifying revenues.

Interfund Balances – Interfund payables and receivables were not reconciled. These items should be balanced at least quarterly.

Bank Reconciliations – Bank accounts were not reconciled timely throughout the year. It is imperative that the Clerk's department reconcile the township books to the Treasurers records on a timely basis.

Journal Entries – The Township recorded journal entries without explanation or documentation. All journal entries must have support for the reason the entry was made and a record of the accounts affected.

Bedford Township
December 23, 2008

The following comment does not constitute material weakness or significant deficiency.

Excess Expenditures – At year end the Township had expenditures in excess of adjusted budget amount. All expenditures should be within the amount appropriated. During the year expenditures were in excess of budget. All budget amendments must be made prior to the expenditure and all bills must be approved prior to payment.


Other Matters:

Retirees' Health Insurance –The Township should consider creating a fund to provide for current and future retirees' health insurance. Government Accounting Standards Board Statement No. 45 requires full accrual of retiree health benefits commencing for the year ending June 30, 2009. The Township is currently undergoing an actuarial study to determine the correct amount of current contributions and future liabilities.

Future Revenues - The State of Michigan budget deficit and the decline in the housing market may both have an impact on the Township's revenues related to state shared revenue, taxable value and building permits. The forecasted revenues and collections should closely monitored.

This information is intended solely for the use of Bedford Township Board and management of Bedford Township and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

A handwritten signature in cursive script that reads "McGuire & McDole".

McGuire & McDole
Certified Public Accountants